

Official Sensitive

Meeting of the Revenue Scotland Board - 11 March 2020 - Minute

Meeting of the Revenue Scotland Board

MINUTE

13:00 – 17:00 on 11 March 2020, Victoria Quay, Edinburgh

Present:

Dr Keith Nicholson
Lynn Bradley
Ian Tait
John Whiting CBE
Jane Ryder OBE
Martin McEwen
Jean Lindsay

In attendance:

Elaine Lorimer, Chief Executive, Revenue Scotland
Mike Paterson, Head of Tax, Revenue Scotland
Neil Ferguson, Head of Corporate Functions, Revenue Scotland (by phone)
Mairi Gibson, Head of Legal, Revenue Scotland
Gary Sharp, Head of Governance, Revenue Scotland
Veronica McAleaney, Governance and Policy Manager, Revenue Scotland (Secretariat)
Andrew Macartney, Head Statistician, Revenue Scotland (for item 1 and 8)
Gareth Hill, Chief Accountant, Revenue Scotland (for Item 6 only) (phone call)
Nigel Furness, Head of Landfill Tax, Revenue Scotland (for item 7 only)
Lindsay Wells, SEPA (for item 7 only)
Caroline Nicol, Tax Operations Specialist, Revenue Scotland (for item 10 only)
Rachel Ward, Tax Operations Officer, Revenue Scotland (for item 10 only)

1. Discussion with the Scottish Fiscal Commission

1.1 The Chair opened the session by welcoming members of the Scottish Fiscal Commission (SFC) to the Board meeting, highlighting that the session would focus on the Fiscal Framework, how this works in practice and what the contribution of those devolved taxes collected by Revenue Scotland makes to budget forecasting.

1.2 The members who joined the Board were:

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- Prof David Ulph, Commissioner
- John Ireland, Chief Executive
- Claire Murdoch, Head of Devolved Taxes and Social Security
- Susie Warden, Head of Strategy, Governance and Corporate Services

1.3 Following the useful session, the Board thanked the members of the SFC for attending the meeting. The bonds between both organisations were also recognised, with special recognition being made to the contribution made by the RS Statistics and Management Information Team.

2. Meeting opening

2.1 The Chair welcomed Board members and officials to the formal meeting of the Board and opened proceedings.

2.2 There were no apologies received.

2.3 The Board discussed the draft minutes of the 29 January meeting and was content to approve them, subject to minor amendments.

2.4 In relation to the Action Log, the Board agreed to close actions A060/19, A001/20, A004/20 and A005/20. All other actions remain open with a new action (linked to A001/20) being created.

Action - The Governance Team to amend the action log as agreed.

Action – In replacing Action A001/20, the Head of Legal is to further explore the possibility of future legislative changes to offset the burden to the organisation’s administration budget from fees relating to litigation cases.

2.5 A new standing declaration of interest was recorded from John Whiting, who highlighted his appointment as Chair of the General Anti Abuse Rule (GAAR) Advisory Panel.

Action – the Governance Team is to amend the online Register of Interests to reflect John Whiting’s latest appointment.

3. Chair update (Oral)

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3.1 The Chair welcomed Members and staff to the meeting and provided an overview of engagements and activities since the last meeting of the Board in January. Given the recent Coronavirus (COVID-19) outbreak, he proposed, in support of our resilience planning arrangements, that the April meeting should be offered as a teleconference to members should they wish to participate remotely.

3.2. The Chair also agreed that some work should be undertaken to explore wider opportunities to use teleconferencing capabilities as a viable option for some future meetings of the Board.

3.3 He reported separately that he had attended the recent Scottish Government's Digital conference where he took the opportunity to introduce himself to our new Minister for Public Finance and Migration, Ben Macpherson.

Action – The Governance Team is to consider opportunities to utilise teleconference capabilities for future meetings.

3.4 The Chair invited an update from the Chairs of both the Audit and Risk Committee (ARC) and Staffing and Equalities Committee (SEC) on the recent meetings of both Committees.

ARC Update

3.5 The Chair of the ARC updated members on matters discussed, highlighting the significant work underway to review the organisation's risk profile and associated response, the discussion around the audit plans for 2020-21 and the plans to progress the development of the organisation's Long-Term Financial Strategy (LTFS).

SEC Update

3.6 The Chair of the SEC updated Members on matters discussed, highlighting the presentation delivered from the contracted learning providers (Connect 3) on progress of the development of STEP, and the work underway to evaluate the impact of the organisation's first People Strategy and the development of the next three year People Strategy.

4. Chief Executive Update RS(02/20)03 and Annex

4.1 The Chief Executive provided a summary of all relevant matters since the last Board meeting in January. She highlighted:

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- That the new Minister for Public Finance and Migration, Ben Macpherson had confirmed his intention to visit Revenue Scotland offices on the 13 May;
- That the Revenue Scotland and Tax Powers Act 2014 Amendment Regulations 2020 in relation to LBTT daily penalties were expected to be signed on 10 March and should now have come into force – noting in particular, how significant this positive change was for Revenue Scotland;
- That work was underway to amend our guidance and associated systems to reflect the recent change to the Bank of England interest rate;
- The UK Budget is due today which has potential impacts on tax legislation in Scotland as well as the Scottish budget;
- Work that was underway in preparation for the organisation's response to the Coronavirus (COVID-19) pandemic; and
- The response to the recent data breaches from the ICO where several recommendations were made – namely, in relation to training that should be carried out with staff and checklists to support current operating procedures.

4.2 The Chief Executive also highlighted that John Whiting has been asked to co-chair the Scottish Tax Conference in June and that RS would be holding a workshop session at the conference.

4.3 She continued to update members on the intention by RS to contribute to two public consultations and that draft responses would be shared with the Board before submission.

Action - Head of Corporate Functions to share the draft responses with the Board for approval.

4.4 In closing this item, the Chief Executive requested that the Head of Tax and the Head of Legal should provide members with a brief synopsis of the recent tribunal case, reflecting on the learning for the organisation.

5. RS Budget Report 2020-21 RS(02/20)07

5.1 The Chief Accountant introduced his paper and highlighted that outcomes of the recent budget negotiations with SG were outlined through the proposal presented.

5.2 The Board scrutinised the detailed budget provisions provided for 2020-21 and approved the allocations as presented.

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Decision – The Board approved the RS budget allocations as outlined for the 2020-21 financial year.

6. Scottish Landfill Communities Fund (SLCF) Update RS(02/20)05 and SEPA SLCF Funding Options Paper 2020-21 RS(02/20)06

6.1 The Head of Landfill Tax introduced this paper and highlighted that it reflected fully the additional comments from the Board.

6.2 He stated that he remained confident that the right strategy at this stage would be to continue with the same subvention rate as the current rate. He suggested that now we are 5 years on from the start of the fund, that a review take place, which could include a future plan on subvention rate and tax credit.

6.3 The Board discussed options for the fund and the subvention rate, including whether that should be increased or reduced. Given the potential changes to Landfill taxes consequent on the BMW ban, they were keen to look at the long term future of the SLCF and funding options

6.4 In response to the detailed discussion on the analysis provided, Lindsay Wells highlighted the importance of the fund and the reliance on it from various community groups. She highlighted that there is potential for the fund to continue into the future, but that it would benefit from a more detailed consideration of the options.

6.5 The Chair thanked members for the useful discussion and asked for a paper looking at future opportunities to be presented to the Board in October with a plan to review the Fund.

Decision – Following discussion about the future of the SLCF, the Board approved the continuation of the subvention rate at 1.82%.

Action – For the October Board meeting, Lindsay Wells to draft a plan and consider the future of the SLCF.

7. RS Data Analysis Strategy RS(02/20)04 and Annex

7.1 The Head Statistician introduced his paper and highlighted the positive impact to planning and prioritisation that has been felt following the introduction of the Data Analysis

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Strategy (DAS). He outlined that the changes proposed would further enhance the effectiveness of the DAS in providing clarity around how changes to data will be managed.

7.2 The Board welcomed the revised version of the DAS and were happy to endorse it. They also recognised the hard work by the team and the high praise received from the SFC on the data they produced.

Action – The Head Statistician will publish the Data Analysis Strategy at the annual stats user event on 2 April.

8. RS Health and Safety Policy RS(02/20)08

8.1 The Head of Corporate Functions introduced this paper and provided an overview of the organisations current policy frameworks and plans to revise this going forward. He confirmed that the current policy largely remains fit for purpose, but that the review would focus on the operationalisation of the policy and the associated special measures.

8.2 Members thanked the Head of Corporate Functions for his progress update and asked for clarification on the arrangements in place that support staff going to landfill sites – including whether risk assessments were routinely carried out and are considered/reviewed by RS staff.

8.3 The Board were content to agree to:

- i. Review the Health and Safety practices within Revenue Scotland;
- ii. Share Health and Safety Executive guidance with Board members; and
- iii. Arrange a facilitated session for Board members to discuss and review the responsibilities of the Board in this area.

Action – The Head of Corporate Functions to take forward the review (as outlined) of the organisation’s Health and Safety arrangements ensuring all three of the above agreements are taken forward.

Action – Head of Landfill Tax to respond to the questions raised in 8.2.

Action – Annual health and safety reports are to be added to the Board forward plan (aligning with the Annual Report and Accounts) and supported through the SEC.

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9. Tax Decision Paper 1 RS(02/20)09

9.1 The Head of Tax introduced this paper to the Board. The case was discussed at the first meeting of the Tax Assurance Group (TAG) prior to coming to the Board.

9.2 The Board endorsed the decision made by the team and thanked everyone involved in the decision for their input and expertise.

ACTION – Governance to add an indication of risk to the template for board papers.

10. Tax Decision Paper 2 RS(02/20)10

10.1 The Head of Tax introduced this paper to the Board and set out the case for consideration.

10.2 The Board endorsed the approach outlined in the case and approved the requested change to the limit at 4.4.1 (e) of the organisation's Scheme of Internal Delegation (SoID).

Decision – Section 4.4.1 (e) of the Scheme of Internal Delegation is to be changed to provide an upper limit for decision making by RS officials of £5m (limited only to the purposes of debt collection and powers of arrestment).

Action – The Head of Governance to formalise the changes to the Scheme of Internal Delegation as outlined in D009/20.

11. AOB

11.1 The Board approved the Board Succession Plan in principle and asked the Head of Governance to take this forward with relevant departments within the Scottish Government.

Action – The Head of Governance to contact SG officials with regard to the Board Succession Plan.

**End of Meeting
Revenue Scotland
March 2020**